1/3/06

SUSPENSE

W JONES

11/3/06

DHC 3 75 7 A

ABOVE THIS LINE FOR DIVISION LISE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1]	TYPE OF A	PPLICATIO	N - Check	Those Whicl	a Apply fo	or [A]		
	[A]	Location - S	Spacing Uni	t - Direction	al Drilling	7		2006
		NSL	NSP	DD	SD			NO
	Check	One Only for		-				
	[B]		ng - Storage	- Measuren	nent			ယ
		⊠ DHC	СТВ	PLC	PC	OLS	OLM	AM
	[C]	Injection - 1	Disposal - P	ressure Incre	ase - Enh	anced Oil R	ecovery	11
		WFX	PMX	SWD	IPI	EOR	PPR	
[2]	NOTIFICAT	TION REQU	IRED TO:	- XCheck	Those Wh	ich Apply,	or Does N	ot Apply
[~]	[A]	Working	, Royalty or	Overriding 1	Royalty In	terest Owne	ers	
	[B]	Offset O	perators, Lea	aseholders o	r Surface	Owner		
	[C]	Applicati	ion is One V	Vhich Requir	res Publis	hed Legal N	lotice	
	[D]			Concurrent .				
	[E]	For all of	f the above,	Proof of Not	tification of	or Publication	on is Attache	d, and/or,
	[F]	Waivers	are Attached	i				

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Keith Lopez	The hop	Petro. Engineer	10/30/2006
Print or Type Name	Signature 8	Title	Date

<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III 1000 Rio Brazos Road, Aztec, NM 87410

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

E-MAIL ADDRESS <u>lopk@chevron.com</u>

1220 South St. Francis Dr.

Form C-107A Revised June 10, 2003

Oil Conservation Division

State of New Mexico Energy, Minerals and Natural Resources Department

Santa Fe, New Mexico 87505

APPLICATION TYPE _X_Single Well Establish Pre-Approved Pools EXISTING WELLBORE

APPLICATION FOR DOWNHOLE COMMINGLING

__X_ Yes ____No

Chevron U.S.A. INC	15 Smith Road, M		ZA
Operator	Add	ress 319	// / \
HT Orcutt E Lease		E-2-20S-37E Section-Township-Range	United States County
		. 5	·
OGRID No. 4323 Property Cod	e <u>22114</u> API No. <u>30</u>	-025-34209 Lease Type:	Federal X State Fee
DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Skaggs Glorieta NW C	Monument Paddock	Weir Blinebry
	97203	47080	63780
Pool Code	5310'-5394'	5660'-5740'	5775'-5880'
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	Artificial Lift	Artificial Lift, Pending Approval	Artificial Lift, Pending Approval
Method of Production (Flowing or Artificial Lift)	Attiticiai Lift	Attinetal Lift, I cliding Approval	Attiticial Lift, I cliding Approval
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	1500 estimated from fluid levels on Orcutt E #4 (offset)		
Oil Gravity or Gas BTU (Degree API or Gas BTU)	42.1°		39.8°
Producing, Shut-In or New Zone	Producing	Shut-In	Shut-In
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history,	Date: 10/29/2006	Date:	Date: 8/29/2006
applicant shall be required to attach production estimates and supporting data.)	Rates: 29 BOPD 0 MCFD	Rates:	Rates: 54 BOPD 150 MCFD
Fixed Allocation Percentage (Note: If allocation is based upon something other	Oil Gas	Oil Gas	Oil Gas
than current or past production, supporting data or explanation will be required.)	To be determined and supplied to the OCD by subtraction method	To be determined and supplied to the OCD by subtraction method	To be determined and supplied to the OCD by subtraction method
	ADDITIO	NAL DATA	
Are all working, royalty and overriding If not, have all working, royalty and ov	royalty interests identical in all co	mmingled zones?	YesXNo YesNo
Are all produced fluids from all commi			YesX No
Will commingling decrease the value o	f production?		Yes NoX_
If this well is on, or communitized with or the United States Bureau of Land Ma	s, state or federal lands, has either the anagement been notified in writing	ne Commissioner of Public Lands of this application?	YesX No
NMOCD Reference Case No. applicable	le to this well:		<u></u>
Attachments: C-102 for each zone to be comming Production curve for each zone for For zones with no production histor Data to support allocation method of Notification list of working, royalty Any additional statements, data or of the committee of the committe	at least one year. (If not available, ry, estimated production rates and sor formula.	attach explanation.) supporting data. r uncommon interest cases.	
	PRE-APPRO	OVED POOLS	
If application is	to establish Pre-Approved Pools, the	he following additional information wi	ill be required:
List of other orders approving downhol List of all operators within the propose Proof that all operators within the propose Bottomhole pressure data.	d Pre-Approved Pools	• •	
I hereby certify that the information	above is true and complete to	the best of my knowledge and belie	ef.
SIGNATURE Zul	Lops TITLE	Petroleum Engineer DATE	10/30/2006
TYPE OR PRINT NAME Keit	h Lopez TELER	PHONE NO. (432) 687-7120	



Keith Lopez Petroleum Engineer Permian Basin Mid-Continent Business Unit Chevron U.S.A. Inc. 15 Smith Rd. Midland, Texas 79705 Tel 432-687-7120 Fax 432-687-7871 lopk@chevron.com

October 30, 2006

State of New Mexico Energy, Minerals, & Natural Resources Dept. Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Re: Request to amend DHC on the HT Orcutt E #3 (DHC-3757)

Attn: Oil & Gas Regulatory Department

Chevron U.S.A respectfully requests administrative approval to amend the Downhole Commingle Permit (DHC-3757) to include the Monument; Paddock pool in the HT Orcutt E #3, API #30-025-34209. The #3 is located 1650' FNL 330' FWL, Unit E, Section 2, T-20S, R-37E, Lea County, NM.

The original DHC permit for the HT Orcutt E #3 was approved for the Skaggs Glorieta NW and the Weir Blinebry on August 7, 2006. During this completion, an additional zone in the Paddock was tested and found to be productive. This zone only swabbed at a 2% oil cut and though it will add to the production stream, it is believed to be marginal. This zone was not in the original permit so it is currently shut-in while we test the Glorieta zone. Chevron requests approval to DHC the Glorieta, Paddock, and Blinebry zones in the wellbore. Upon DHC, the known production from the Glorieta and Blinebry zones will be subtracted from the total production stream and supplied to the OCD for allocation percentages.

Attached in support of this request is a table showing production volumes for each of the pools proposed for commingling. Also, included is a proposed well schematic diagram for the HT Orcutt E #3, well tests, C107A, a C102 for each zone, and a lease plat. As can be seen on the table, the value of the production will not be significantly impacted by the proposed action.

Chevron is the operator of these wells with 100% working interest, and the Royalty Interest Owners are the same on each lease. The HT Orcutt E facility will test monthly for allocation of production to the well.

If you have any questions concerning this application, please contact Keith Lopez at (432)-687-7120 or by email at LOPK@CHEVRON.COM.

Sincerely.

Keith Lopez

Petroleum Engineer

Attachments

cc: NMOCD District 1 – Hobbs, NM Keith Lopez Well File Nathan Mouser Vicki Duncan/Denise Pinkerton

REQUEST FOR EXCEPTION TO RULE 303-A FOR WELLS LOCATED IN PRE-APPROVED POOLS OR AREAS

Operator

Chevron U.S.A., Inc. 15 Smith Road Midland, TX 79705

Lease Name and Well Number

HT Orcutt E #3 1650' FNL & 330' FWL, Unit Letter E Section 2, T20S, R37E Lea County, New Mexico

Division Order

Pre-approved pools or area established by Division Order No. R-11363.

Pools To Be Commingled In Orcutt E #3

(97203) Skaggs; Glorieta, NW (47080) Monument Paddock (63780) Weir Blinebry

Perforated Intervals

Skaggs; Glorieta NW (5310'-5394") (Wellbore diagrams attached) Monument Paddock (5660'-5740') Weir Blinebry (5775'-5880')

Location Plat

Attached

Well Test Report & Production Plots

Attached.

Product Characteristics And Value

Analysis of the produced fluids by Chevron shows that the fluids are compatible and commingling will not cause formation damage or producing problems. Also, the price received by Chevron for products from these zones is very similar, so value will not be adversely affected.

Production Allocation

<u>Pool</u>	<u>BOPD</u>	<u>BWPD</u>	<u>MCFPD</u>	Estimation Method
Skaggs; Glorieta NW	29		0	Orcutt E #3 Well Test 10/29/06
Monument Paddock	Production	to be deter	mined by s	ubtraction when DHC'd
Weir Blinebry	54		150	Orcutt E #3 Well Test 8/29/06
Totals	83		150	_

Allocated %	<u>Oil %</u>	Water %	Gas %	<u>Remarks</u>
Skaggs; Glorieta NW	Will be cad	culated using	2 tested zones	and subtracted from DHC test
Monument Paddock	Will be cad	culated using	2 tested zones	and subtracted from DHC test
Weir Blinebry	Will be cad	culated using	2 tested zones	and subtracted from DHC test
Totals				

Ownership

Ownership of all zones is identical so correlative rights will not be compromised.

State / Federal Land Notification

Well is on a state lease.

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised March 17, 1999

<u>District II</u> 811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION

<u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410

<u>District IV</u> 2040 South Pacheco, Santa Fe, NM 87505 2040 South Pacheco Santa Fe, NM 87505 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	¹ API Number 30-025-3420			² Pool Code 97203				³ Pool Name Skaggs Glorieta							
						perator Na				⁹ Elevation 3600'					
					10 Surf	ace Lo	cation								
UL or Lot No.	Section	Township	Range	Lot Idn	Feet fro	om the	North/South line	Feet from the	East/West	line	County				
E	2	208	37E		165	50'	North	330'	West		Lea				
	I		¹¹ Bo	ttom Hole	Location	on If D	ifferent From Su	urface							
UL or Lot No.	4 Property Code 22114 7 OGRID No. 4323 Chevron C 10 Surface or Lot No. Section Township Range Lot Idn Feet from the 2 20S 37E 1650' 11 Bottom Hole Location or Lot No. Section Township Range Lot Idn Feet from the	om the	North/South line	Feet from the	East/West	line	County								
¹² Dedicated Acre 40	s ¹³ Join	t or Infill 14 Co	onsolidation (Code 15 Ord	ler No.				I						
	NO ALLO	WABLE WI							EEN CONSOL	IDATE	D OR A				
+															

2 1650'			OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
330'	40-acre proration unit	20	Signature Keith Lopez Printed Name Petr. Engineer Title July 27, 2006
			SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Signature and Seal of Professional Surveyor:
			Certificate Number

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised March 17, 1999

811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION

District III 1000 Rio Brazos Rd., Aztec, NM 87410

District IV 2040 South Pacheco, Santa Fe, NM 87505

2040 South Pacheco Santa Fe, NM 87505 **Submit to Appropriate District Office** State Lease - 4 Copies Fee Lease - 3 Copies

□ AMENDED REPORT

						TO AC	KEAGE D						
							³ Pool Name Monument Paddock						
	Property Code 22114												
22114													
					¹⁰ Sı	ırface Lo	cation			<u> </u>			
UL or Lot No.	Section	Township	Range	Lot	Idn Fee	t from the	North/South line	Fe	et from the	East/West line	County		
E	2	208	37E			1650'	North		330'	West	Lea		
			¹¹ Bo	ttom	Hole Loca	ation If Di	fferent From Si	urface	·				
UL or Lot No.	Section	Township	Range	Lot	ldn Feet	t from the	North/South line	Fe	et from the	East/West line	County		
¹² Dedicated Acre 40	s 13 Join	t or Infill 14 C	Consolidation C	Code	¹⁵ Order No.		- 74.4M.2	I					
	NO ALLO)WABLE W					ION UNTIL ALL IN EEN APPROVED B			EN CONSOLIDA	TED OR A		
2									I hereby certify	ATOR CERT	ontained herein is true		
1650				ļ					una compieto t	o the book of the threat	sage and soner.		

Heis Right Signature 330' **Keith Lopez** Printed Name Petr. Engineer Title 40-acre proration unit October 30, 2006 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Signature and Seal of Professional Surveyor: Certificate Number

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised March 17, 1999

<u>District II</u> 811 South First, Artesia, NM 88210

<u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410

<u>District IV</u> 2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

2040 South Pacheco Santa Fe, NM 87505 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	¹ API Number 30-025-34209			² Pool Code 63780		³ Pool Name Weir Blinebry								
⁴ Property 2211 4						Property Name HT Orcutt E 6 Well Number 3								
⁷ OGRID 4323					⁸ Operator Na Chevron Corpor			⁹ Elevation 3600'						
					¹⁰ Surface Lo	cation								
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County					
E	2	208	37E		1650'	North	330'	West	Lea					
			¹¹ Bo	ttom Hole	Location If D	ifferent From Su	urface							
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County					
¹² Dedicated Acre 40	s ¹³ Joint	or Infill ¹⁴ Co	nsolidation (Code 15 Ord	er No.									
	NO ALLO	WABLE WI				ION UNTIL ALL IN EEN APPROVED BY		EEN CONSOLIDA	TED OR A					

1650'		OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
330'		Signature Keith Lopez Printed Name Petr. Engineer
40-acre proration unit	22	Title
		SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
		Signature and Seal of Professional Surveyor:
		Certificate Number

PROPOSED WELL DATA SHEET

3600

Lease Type: Field: Skaggs Glorieta NW Well Name: H. T. Orcutt (NCT-E) #3 State Location: 1650' FNL & 330' FWL Sec: 2-E Township: 208 Range: 37E Refno: BP7270 API: 30-025-34209 State: New Mexico UCL271200 County: Lea **Cost Center:**

Current Status: PR

Current Producing Formation(s): Initial Producing Formation(s):

Glorieta Tubb

Current 167 Surface Csg. KB: 8 5/8" 335 Size: DF: 502 Wt.: 24# GL: 670 Set @: 1470 Spud Date: 5/26/1998 837 Sxs cmt: 450 Released Rig: 6/7/1998 1005 Circ: Yes Compl. Date: 7/14/1998 1172 TOC: Surface 1340 Hole Size: 11" 1507 1674 1842 Production Csg. 2009 **Size**: 5 1/2" 2177 Wt.: 15.5# 2344 Set @: 7208 1020 2512 Sxs Cmt: 2679 Circ: No 2847 TOC: 1200 Glorieta Perfs 3014 Hole Size: 7 7/8" 5310'-16' Open 3181 5321'-25' Open 3349 5334'-42' Open 3516 5367'-73' Open 3684 5386'-94' Open 3851 4019 RBP @ 5500' 4186 4353 4521 Top Salt 1483 Paddock Perfs 4688 Base Salt 2550 5660'-5740' - open 4856 Top Yates 2676 5023 Top 7 Rivers 2958 5191 Top Queen 3515 RBP @ 5760' 5358 Top Grayburg 3781' 5526 Top San Andres 4173' Blinebry Perfs 5693 Top Glorieta 5294 5775-5880' - open 5860 Top Paddock 5376 6028 Top Blinebry 5663' 6195 Top Tubb 6400' 6363 Top Abo 7440' CIBP set @ 6475 w/35' cmt on top 6530 6698 Tubb Perfs 6865 6521-6718' - below CIBP 7033 PBTD: 6440' 7208 TD: 7208

Remarks: See the well history attached

Prepared by: K M Jackson Date: 1/12/2004

Updated By: LOPK Date: 10/25/06

PROPOSED WELL DATA SHEET

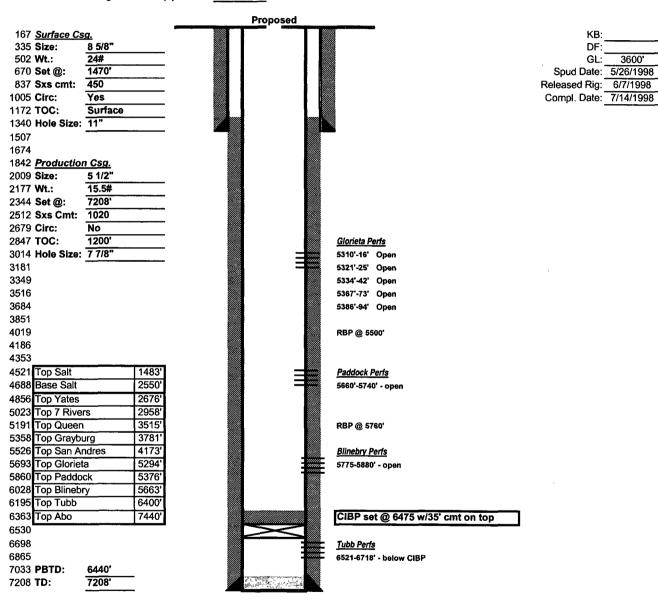
3600'

Skaggs Glorieta NW Lease Type: Field: Well Name: H. T. Orcutt (NCT-E) #3 State Location: 1650' FNL & 330' FWL Sec: 2-E Township: Range: 37E County: Lea State: New Mexico Refno: BP7270 API: 30-025-34209 **Cost Center:** UCL271200

PR **Current Status:**

Current Producing Formation(s): Initial Producing Formation(s):

Glorieta Tubb



Remarks: See the well history attached

Prepared by: K M Jackson

1/12/2004 Date:

Updated By: LOPK

Date: 10/25/06

						WEII	TES	T PE	PORT	l Neck 1		
Looso	Lease: ORCUTT, H. T. NCT-E					Field: WEIR			Par	L	BLINEBR	v
				- 1 − 1	· 							-
Well:	3B					Code:					00000045	
					Unique						ORCUTT	
	NACO CONTRACTOR (CONTRACTOR CONTRACTOR CONTR					ellbore:	L				30025342	
			Januari II.			per collection (L						
Test				Tbg		%	Comp			Fluid	Fld Lvi	
Date	BOPD	BWPD	MCFPD	PSI	GOR	Oil	No.	Status	Remarks	Level	Date	BTFPD
8/29/06	54	48	150		2778	52.9	02	PR		5113	5/8/05	102
7/10/06	56	50	131		2339	52.8	02	PR	1	5113	5/8/05	106
6/9/06	60	52	139		2317	53.6	02	PR		5113	5/8/05	112
5/22/06	63	55	143		2270	53.4	02	PR		5113	5/8/05	118
4/16/06	53	58	116		2189	47.7	02	PR		5113	5/8/05	111
3/19/06	59	69	122		2061	46.1	02	PR		5113	5/8/05	128
2/10/06	55	57	125		2264	49.1	02	PR		5113	5/8/05	112
12/27/05	53	54	146		2756	49.5	02	PR		5113	5/8/05	107
11/27/05	45	44	42		937	50.6	02	PR		5113	5/8/05	89
10/11/05	68	17	115		1687	80.0	02	PR		5113	5/8/05	85
9/5/05	70	60	185		2647	53.8	02	PR		5113	5/8/05	130
8/9/05	67	58	168		2502	53.6	02	PR		5113	5/8/05	125
7/25/05	70	62	180		2577	53.0	02	PR		5993	5/8/05	132
6/26/05	70	62	182		2605	53.0	02	PR		5993	5/8/05	132
5/21/05	83	63	218		2622	56.8	02	PR		5993	5/8/05	146
5/9/05	73	64	212		2901	53.3	02	PR		5993	5/8/05	137
4/15/05	88	74	233		2651	54.3	02	PR		5979	10/15/04	162
2/6/05	78	90	281		3607	46.4	02	PR		5979	10/15/04	168
1/16/05	65	117	307		4721	35.7	02	PR		5979	10/15/04	182
12/5/04	60	85	294		4902	41.4	02	PR		5979	10/15/04	145
11/11/04	112	86	314		2801	56.6	02	PR		5979	10/15/04	198
11/11/04	112	86	314		2801	56.6	02	PR		5979	10/15/04	198
10/17/04	117	88	324		2765	57.1	02	PR		5979	10/15/04	205

Rate/Time Graph

Lease Name: H T ORCUTT NCT E (3) Location: 2E 20S 37E NW SW NW County, ST: LEA, NM

Operator: CHEVRON U S A INCORPORATED Field Name: WEIR

Project: P:\PowerTools v8.0\project1.mdb

Date: 10/30/2006

